

ASSEMBLY BILL

No. 1538

**Introduced by Committee on Banking and Finance (Lieu (Chair),
Coto, Mendoza, Parra, Swanson, Torrico, and Wolk)**

February 23, 2007

An act to add Section 10149.5 to the Business and Professions Code, and to add Sections 22169 and 50007 to the Financial Code, relating to real estate.

LEGISLATIVE COUNSEL'S DIGEST

AB 1538, as introduced, Committee on Banking and Finance. Real estate: investigations.

Under existing law, the Real Estate Law, a real estate licensee is licensed and regulated by the Department of Real Estate in the Business, Transportation and Housing Agency. Under the Finance Lenders Law, finance lenders are regulated by the Department of Corporations, and under the California Residential Mortgage Lending Act, residential mortgage lenders are regulated by the Department of Corporations.

This bill would require the Department of Real Estate to notify the Department of Corporations if a real estate licensee is under investigation. The bill would also require the Department of Corporations to notify the Department of Real Estate if a finance lender or a residential mortgage lender is under investigation. The bill would prohibit a license from being issued or renewed for a licensee under investigation by the other department.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10149.5 is added to the Business and
2 Professions Code, to read:
3 10149.5. The department shall notify the Department of
4 Corporations if a real estate licensee is under investigation. A
5 license shall not be issued or renewed for a licensee under
6 investigation by the Department of Corporations.
7 SEC. 2. Section 22169 is added to the Financial Code, to read:
8 22169. The department shall notify the Department of Real
9 Estate if a finance lender is under investigation. A license shall
10 not be issued or renewed for a licensee under investigation by the
11 Department of Real Estate.
12 SEC. 3. Section 50007 is added to the Financial Code, to read:
13 50007. The department shall notify the Department of Real
14 Estate if a residential mortgage lender is under investigation. A
15 license shall not be issued or renewed for a licensee under
16 investigation by the Department of Real Estate.